

SENATE FINANCE COMMITTEE
April 30, 2021
9:03 a.m.

9:03:00 AM

CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Natasha von Imhof
Senator David Wilson
Senator Bill Wielechowski (via teleconference)
Senator Donny Olson (via teleconference)

MEMBERS ABSENT

Senator Bert Stedman, Co-Chair
Senator Lyman Hoffman

ALSO PRESENT

Tim Grussendorf, Staff, Senate Finance Committee; Neil Steininger, Director, Office of Management and Budget, Office of the Governor.

SUMMARY

SB 49 APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 49 was HEARD and HELD in committee for further consideration.

SB 50 APPROP: CAP; REAPPROP; SUPP; AMEND

SB 50 was HEARD and HELD in committee for further consideration.

UNIVERSITY OF ALASKA SUBCOMMITTEE OF THE WHOLE BUDGET
CLOSE-OUT

#sb49

#sb50

SENATE BILL NO. 49

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making reappropriations; making supplemental appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

SENATE BILL NO. 50

"An Act making appropriations, including capital appropriations, reappropriations, and other appropriations; making supplemental appropriations; making appropriations to capitalize funds; and providing for an effective date."

[9:03:46 AM](#)

^UNIVERSITY OF ALASKA SUBCOMMITTEE OF THE WHOLE BUDGET
CLOSE-OUT

[9:03:47 AM](#)

TIM GRUSSENDORF, STAFF, SENATE FINANCE COMMITTEE, explained the narrative associated with the University of Alaska (UA) Subcommittee. The proposal included general funds in the amount of \$577,788,000; federal funds in the amount of \$137,225,000; and other funds in the amount of \$75,116,000. There were only two action items. The first restored half of the governor's \$20 million reduction to UA's main campuses. The second action was the denial of the structure consolidation retaining the FY 21 status quo. He concluded the committee's recommendations.

Senator von Imhof MOVED the FY 22 operating budget for the University of Alaska from subcommittee with the attached legislative finance reports: Agency Total; Transaction Compare FY 22 Adjusted Base to Senate Subcommittee; Transaction Compare Governor's Amended to Senate Subcommittee. The Legislative Finance Division was directed to make any appropriate or conforming technical changes.

There being NO OBJECTION, it was so ordered.

Senator Wilson thanked Senator Hoffmann and his staff for preparing the report and all their work in subcommittee. He would have some questions for the University regarding some of the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and how it would coincide with the additional reduction in the governor's amended proposal.

Co-Chair Bishop adjourned the finance subcommittee for the University of Alaska.

^OFFICE OF MANAGEMENT and BUDGET (OMB) ALL SUPPLEMENTAL REQUESTS: OPERATING and CAPITAL

[9:06:48 AM](#)

Co-Chair Bishop invited Mr. Steininger to the testifier table and asked him to walk the committee through the action items. He noted Senator Wielechowski was in attendance online.

NEIL STEININGER, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, noted the committee had three spreadsheets before them. He would begin with the document titled, "Supplemental Operating Items" (copy on file). He would be reviewing the various supplemental requests encompassed in different vehicles introduced by the governor including the fast track supplemental bill, the operating budget bill, the capital budget bill, the regular supplemental bill, and the American Rescue Plan Act (ARPA) bill. He further explained that because the supplemental requests were spread across several pieces of legislation, he thought it would be helpful to put them together in a spreadsheet.

Mr. Steininger noted that some of the items on the spreadsheet were highlighted reflecting items new since the previous Office of Management and Budget (OMB) presentation on supplemental items. The items in white had already been presented to the committee. If there were any questions on them, he was happy to respond.

Mr. Steininger turned to page 1, item 1. The supplemental request would replace interagency receipts to cover an anticipated shortfall in the Division of Personnel and Labor Relations. It would offset the increased cost to other agencies of bi-weekly payroll. Item 2 was technical

in nature within the Department of Administration's (DOA) Risk Management Division. It would allow for the implementation of statutory language that deposited excess general funds into the catastrophic reserve fund to maintain a balance of \$5 million. Item 3 within the Department of Commerce, Community and Economic Development (DCCED) in the Division of Business and Professional Licensing was \$411,000 to offset revenue deficits in professional licensing programs as a result of the suspension of fee increases. He noted that the suspension of fee increases made the COVID-related shortfall not eligible for the ARPA revenue offsets.

Mr. Steininger continued to item 4 within the Department of Education and Early Development (DEED). There was a FY 21 supplemental request to address the Division of School Finance and Facilities. The division was inadvertently short-funded with the veto of school bond debt reimbursement. Item 5 reflected a reduction in the Alaska Technical Vocational Education Program (TVEP) funding within DEED. He indicated the document contained other items related to TVEP funding. He pointed out that for every TVEP impact there would be 2 items because initially, the projection of TVEP funding and the needed adjustment was projected then revised at a later date.

Mr. Steininger moved to item 7 within the Department of Environmental Conservation (DEC) in the amount of \$70,000 resulting from a delayed energy efficiency project. There was a one-time cost to ensure that the department would be able to meet needs as the energy efficiency project was brought online. Item 8 would accommodate unanticipated legal expenditures for the Division of Environmental Health within DEC in the amount of \$120,000. Item 9 was for the replacement of commercial passenger vessel compliance fees for shellfish testing. He added that there was a column included in the spreadsheet that noted the House's action. He highlighted that item 9 noted that it was not included in the House Committee Substitute, however, the spreadsheet had not been updated for actions taken in the prior day. It had been addressed through the amendment process.

[9:10:47 AM](#)

Mr. Steininger moved to page 2, item 10. The item would pay for other unanticipated legal expenses within DEC in the amount of approximately \$240,000. Item 11 in the amount of

\$590,000 undesignated general funds (UGF) would be used to match additional federal receipts the state received through the Help America Vote Act for the Division of Elections. Item 12 within the Office of Management and Budget was language allowing the use of lapsing funds from the prior fiscal year to ensure stabilization of interagency charge-back rates. Item 13, related to Adult Public Assistance within Department of Health and Social Services (DHSS), would help maintain benefit payments for the Adult Public Assistance Program (the MOE for the Medicaid Program) in the amount of \$1.2 million.

Mr. Steininger continued to item 14 in the amount of \$6 million for the Alaska Psychiatric Institute to support client services. Item 15 was a language item allowing for the use of lapsing Medicaid funds to cover the FY 22 Medicaid budget. It would allow for a tapering down to a lower level. Item 16 was an adjustment to the Permanent Fund Dividend (PFD) and hold harmless program that worked in concert with the proposal to complete the FY 21 PFD payment. Item 17 within DHSS for subsidized adoptions and guardianships reflected an increased need in adoption and guardianship subsidies. Item 18 within Department of Labor and Workforce Development (DOL) was for the Alaska Vocational Technical Education Center (AVTEC) to provide operational support for COVID revenue shortfalls. It had been proposed using Alaska Housing Capital Corporation receipts.

Mr. Steininger reported that item 19 and item 20 had to do with TVEP funding adjustments. Item 20 was listed at the top of page 3. Item 21 and item 22 were also TVEP adjustments. Item 23 within the Department of Law was a \$4 million multi-year appropriation for statehood defense. Item 24 within the Department of Military and Veterans Affairs (DMVA) was \$1.2 million in federal receipts for facility maintenance. Item 25 had not been brought before the committee previously. The item reflected designated program receipts for the Alaska Housing Finance Corporation (AHFC) which would allow them to assist other outside entities in managing housing programs funded with COVID relief dollars. Item 26 provided authority for AHFC to manage the housing programs directly granted to the State of Alaska.

Mr. Steininger continued to item 27 which was an adjustment to investment management fees for the Alaska Permanent Fund

Corporation (APFC). Item 28 was a department-wide risk management position for the Department of Revenue (DOR). Item 29 had not been before the committee. It fell within Department of Transportation and Public Facilities (DOT) for \$331,000 to address an extreme winter weather event that occurred in the Northern Region. Items 30 and 31 were additional TVEP adjustments. Item 31 was listed at the top of page 4.

Mr. Steininger continued to address items on page 4. Item 32 was a deposit of \$30 million into the Disaster Relief Fund. The source of the funding was a reappropriation of \$90 million UGF and Constitutional Budget Reserve (CBR) monies appropriated to COVID response that ended up not being needed due to the amount of money the state received from the federal government. Item 33 was a deposit of repealed capital projects into the Capital Income Fund. The funds were used to support deferred maintenance programs elsewhere in the state budget. Item 34 was the completion of the payment for the FY 21 PFD.

[9:15:42 AM](#)

Mr. Steininger continued to highlight the items on page 4. Item 35 was a technical adjustment to language on the distribution of cruise ship head tax receipts. The wrong year was referenced and in updating the year, he also updated the estimate to reflect the dramatic reduction in collections. Items 36 and 37 represented judgements, settlements, and claims against the state. Item 38 was another settlement against the state, the Morse Settlement - the Disability Law Center of Alaska, Inc. Judgement and Settlement (FY 21-FY 22). It was separated out, as it funded appropriations within DHSS. It was different in nature than the normal judgement or settlement. Next, he would address the document titled: "Supplemental Capital Items."

Senator Wilson referred to items 25 and 26 for the additional receipt authority for AHFC. He asked if the items were pass-through items or if they reflected the recouperation of administrative fees incurred by AHFC.

Mr. Steininger did not believe there would be significant administrative costs taken out by AHFC. He was unsure of the exact cost of administering the program. He was aware that AHFC worked with outside entities who received monies

but did not have the capacity to run the programs. Alaska Housing Finance Corporation had the capacity to run both their own program and other outside programs. He would have to report back to the committee regarding how the administrative costs were being covered.

Senator Wielechowski requested a detailed list of legal costs.

Mr. Steininger assumed Senator Wielechowski was referring to the judgments and settlements listed in the packet. He agreed to provide the information. He added that DEC legal costs related to an enforcement case against a public water system owner/operator were significantly greater than normal. The Department of Environmental Conservation also had multiple large permit issues for pollution discharge exceeding the normal costs paid to the Department of Law.

Co-Chair Bishop directed Mr. Steininger to address the supplemental capital items.

[9:19:12 AM](#)

Mr. Steininger addressed the spreadsheet related to the supplemental capital items. Item 1 within DOA in the amount of \$230,000 was for a system server replacement for the retirement system. Item 2 within DCCED was for the Electrical Emergencies Program. Item 3, also within DCCED, was an adjustment to the Natural Petroleum Reserve-Alaska (NPRA) Grant Program. Item 4 in the amount of \$2,300 was for the Blood Bank of Alaska. The source of funding was from license plate fees when people purchase specialty license plates. Item 5 was a community block grant program within DCCED. The department received additional COVID relief funding from the federal government. Item 6 within DEED was for a statewide school capital funding forecast database in the amount of \$240,000 from the school fund. The purpose of the database was to track the condition of school facilities.

Mr. Steininger addressed item 7 from the school fund for a Mount Edgecombe High School Master Plan update for \$330,000. Items 8 and 9 were for the Village Safe Water Program within DEC. There had been an increase in the amount of federal receipts available which required match funding. The department had adequate authority to receive the federal receipts but needed matching funds.

Co-Chair Bishop asked how much the department had in excess federal dollars.

Mr. Steininger would get back to the committee with the total amount available in federal receipts from old projects.

9:21:45 AM

Mr. Steininger continued to item 10 within the Department of Fish and Game (DFG) for the Sportfish Recreational Boating and Angler Access Program. He noted there were several items in the supplemental capital budget that were normal and recurring but were left off at the end of session in the prior year because of the truncated timeline. Item 11 within DFG in the amount of \$500,00 was for facility, vessel, and aircraft maintenance. Item 12 in the amount of \$7.7 million in federal receipts was for the Pacific Salmon Treaty Chinook Fishery Mitigation.

Mr. Steininger turned to page 3 of the supplemental capital items. He looked at item 13 within DFG for wildlife management, research, and hunting access. It was a normal annual recurring project. Item 14 within the Office of the Governor was for statewide deferred maintenance in the amount of \$5.9 million. The money was a request that normally appeared in the capital budget for deferred maintenance. Item 3 in the amount of \$3 million was for the general election security due to COVID -19. The item might appear odd because the election already occurred. He explained that the division utilized other available funding to cover the need. However, the supplemental was necessary to continue operations through the remainder of the year. Item 16 within the Department of law was for prosecutor recruitment and housing. It reflected a \$3 million increase to its operating budget base to address sexual assault and domestic violence cases.

Mr. Steininger moved to item 17 within DMVA was for a statewide roof, envelope, and fall protection maintenance program in the amount of \$850,000. Item 18 was for security upgrades at the Bethel Readiness Center in the amount of \$70,000. Item 19 within DMVA was for the Kotzebue Readiness Center HVAC system life-cycle replacement of \$250,000. Item 20 was for the Bethel Readiness Center Water System for \$125,000. Item 21 was a technical item and a

reappropriation for DMVA's Alaska Land Mobile Radio (ALMR). He relayed that ALMR was moved from DOA to DMVA. There were old capital projects that needed to be reassigned to the new department. Item 22 within the Department of Natural Resources (DNR) regarding the Land and Water Conservation Land and Water Conservation Fund Federal Grant Program was in the amount of \$3.5 million in federal receipts matched by \$900,000 UGF.

9:25:02 AM

Mr. Steininger continued to page 4. He began with item 23 within DNR for a new subdivision development within in land sales. The amount was \$750,000 of state land sales receipts. Item 24 within DNR was for the Geological Materials Center for multispectral scanning equipment in the amount of just under \$1.3 million from a variety of fund sources. Item 25 was \$49,000 for Exxon Valdez oil spill outreach. The purpose of item 26 was to enhance capacity at the Geological Material Center. The amount of \$375,000 would be provided by the entity who was to use the capcity by leasing space in the center. Item 27 was a new item for an assessment of Alaska landslide hazards, particularly in Prince William Sound, to help with warning system timelines for landslides and resulting tsunamis. Item 28 within DOR was for a replacement of one of the information technology (IT) systems that was aged but ran on the state's mainframe.

Mr. Steininger continued to item 29 on page 5. The item was a reappropriation of a prior year project for just under \$485,000. The money would be used by DOR for tax expertise, economic impact analysis, and legal analysis of any newly introduced tax proposals. Item 30, also within DOR, was an AHFC item. There was \$5 million in federal receipts for continued COVID relief from the federal government for homelessness. Item 31 within DOR was for AHFC for home ownership assistance. The amount of federal funding COVID receipts was \$50 million. Item 32 within DOT was just under \$6 million for deferred maintenance for public buildings. He explained there was a specific class of buildings owned by the state - generally office buildings. Item 33 within DOT was for decommissioning a remediation of classified injection wells in the amount of \$1.7 million.

Co-Chair Bishop asked Mr. Steininger if the state was getting to the end of the injection well remediation project in terms of the state's liability.

Mr. Steininger relayed that the required work had to be completed by December 31, 2021. He could contact the department for additional information.

Co-Chair Bishop noted that the timeline had been extended previously.

Senator von Imhof returned to item 31. She asked about the \$50 million for AHFC homeowner assistance. In the notes it stated that it was part of ARPA for 2021. She was aware that there was a separate ARPA list that would be reviewed later in the presentation. She wondered why the item was not included in the ARPA list.

Mr. Steininger suspected a clerical error.

Senator von Imhof suggested item 31 was on the wrong list.

Mr. Steininger responded that the item was put forward in April separate from the ARPA list because it had additional clarity which was the reason it was put forward earlier. The other items on the ARPA list were items included in the ARPA bill.

Mr. Steininger continued to item 34. He explained that certain capital projects were completed under budget. There were remaining available funds (\$4.3 million) that could be reappropriated back into the general fund. The same applied for item 35 in the amount of \$1,600 to the Alaska Capital Income Fund. Item 36 reflected remaining available funds from capital projects coming in under budget in the amount of \$8,600 and going into the commercial passenger vessel head tax account. The remaining two items were for the Alaska Court System and could be found on page 6. Item 37 was for court security improvements in the amount of just over \$1.5 million. Item 38 was for deferred maintenance for court buildings in the amount of just over \$1.5 million.

[9:30:52 AM](#)

Mr. Steininger looked at the spreadsheet related to ARPA (copy on file) and included items in the governor's ARPA bill. The first section of items were related to

non-discretionary programs - items which came directly through the act to specific state agencies for a specific purpose. There might be some discretion in the way the funds were deployed. Generally, the items had federal restrictions on how they were spent.

Mr. Steininger began with item 1 for the National Endowment for the Arts for the Alaska State Council on the Arts. Item 2 was for the Institute of Museum and Library Services for library operations of approximately \$2 million. Item 3 was pass-through funding to communities. The amount of \$185 million would be passed through to communities and would include attached discretionary rules. Item 4 was mental health block grant funding for the Division of Behavioral Health in the amount of about \$3 million. Item 5 within the Division of Behavioral Health was funding for substance abuse block grants in the amount of \$4.7 million. Item 6 was pandemic emergency assistance of \$3.4 million for DHSS. Items 7 and 8 were childcare-related grants. One was for childcare stabilization for \$45.5 million and the other was for childhood development fund grants of \$28.4 million. Item 9 was the Low Income Home Energy Assistance Program (LIHEAP) in the amount of \$23.7 million. The item was a grant for \$1.1 million for Women, Infants and Children (WIC) benefit improvements. The funding applied to the cash vouchers that were distributed to beneficiaries. Item 11 was a pandemic Electronic Benefits Transfer (EBT) administrative grant in the amount of \$768,000.

Co-Chair Bishop asked if item 11 had to do with the summer school lunch program.

Mr. Steininger responded in the affirmative. The grant was primarily for the school lunch program.

Mr. Steininger continued to item 12 in the amount of \$22 million for COVID testing. The money was supposed to be used for testing from the reopening of schools, rather than general testing. Item 13 in the amount of \$32.4 million was for COVID vaccinations. Item 14 in the amount of \$290,000 was for child abuse prevention. Item 15 was to support older Americans and their families in the amount of \$7 million in grant funding.

Senator Wielechowski asked if every student in the school system would be tested for COVID each week.

Mr. Steininger replied that the funding was for screening and testing to help schools reopen. He was unsure of the testing specifics. He could get back to the committee with additional information.

9:35:26 AM

Mr. Steininger continued to item 16 for higher education emergency relief funds for AVTEC. The amount totaled \$441,000 and half of the funding had to be spent directly on students. Item 17 within DMVA was \$880,000 for emergency management grants for the implementation of the national preparedness system. Item 18 for DOT was \$6 million for federal transit administration grants. He highlighted that the description outlined how the funds were to be distributed. Item 19 for UA was \$30.8 million from the Higher Education Emergency Relief Fund. Half of the money had to be spent on grants going directly to students. He reported that the one capital non-discretionary program was in the Department of Labor and Workforce Development and was anticipated to be \$6 million but the department had to apply for the grant. It would be used to upgrade the Unemployment Insurance (UI) program systems.

Senator von Imhof asked to confirm that items 1-20 were direct and pass-through funds. In other words, the funds went from the federal government to the various different departments. The legislature had no direction or appropriation with the funding. She asked if she was correct.

Mr. Steininger replied that the legislature had the choice of whether or not to give the department receipt authority to receive the direct grants. However, the legislature would not be able to change the rules assigned by the federal government in terms of how the funding could be spent.

Senator von Imhof used item 12 as an example. She relayed that the legislature could decide whether DHSS could accept the \$22 million. However, it could not take the money and divert it somewhere else such as DFG.

Mr. Steininger agreed.

Senator von Imhof asserted that the money could not be used to pay a dividend.

Mr. Steininger agreed.

Mr. Steininger turned to page 3. He indicated that the next set of supplemental ARPA items were discretionary in nature giving the state significantly more latitude in how the funds were deployed and used. Substantial policy discussions between the legislature and the administration were necessary to deploy the funding. The items listed were initial allocations providing a starting place for policy discussions.

Co-Chair Bishop asked if Senator Olson had been able to join the meeting online.

Senator Olson responded that he had joined the meeting earlier and had heard the majority of the discussion.

[9:39:23 AM](#)

Mr. Steininger addressed item 1 which was an allocation to protect Alaskans in the areas of health and other. A total of \$80 million had been allocated for items 1 and 2 combined. Item 1 was more general and included health support for DHSS to continue some of its testing programs not covered with the other less discretionary grants. Item 2 was \$6 million for grants to sexual abuse, human trafficking, and domestic violence organizations. Item 3 in the amount of \$325 million was for economic recovery and innovation such as business relief programs or programs that could help move Alaska out of the pandemic and shift the way businesses conducted themselves. It would provide relief to businesses throughout the state.

Senator von Imhof asked if the administration would be ready to distribute the funds in a timely and fair manner if the legislature accepted the funding and added it to the budget. She wondered whether additional time was needed.

Mr. Steininger replied that the items were being presented as buckets of money with rough allocations that needed to be further defined. He indicated that because the federal guidance was not anticipated until May 10, 2021, it was difficult to specify how funding would be deployed. He hoped, through the legislative process, the items would be better refined prior to the end of session. He provided various distribution options. The administration did not

have specifics regarding how the funding could be distributed.

Mr. Steininger continued to item 4, an allocation specifically for tourism revitalization. While there was the economic recovery and innovation allocation, the tourism industry had been hit especially hard, and the industry was facing another year of reduced tourism in the following season. A significant allocation would be necessary. Item 5 had to do with infrastructure investment. The American Rescue Plan Act included monies for infrastructure programs, especially for water, sewer, and broadband projects. More detail regarding infrastructure activity would be provided in the guidelines to be released in May by the US Treasury.

Mr. Steininger addressed item 6 in the amount of \$19 million for replacement of lost revenue due to COVID in designated general funds (DGF) or restricted revenue sources that supported state programs. He provided a couple of examples within DFG and cruise ship head tax receipts which had declined significantly. The funding in item 16 would help to backfill some lost revenues. Item 7 in the amount of \$120 million UGF was for revenue backfill. Regular state activities would be supported with ARPA funds allowing the general fund dollars to remain in the state's general fund treasury.

[9:45:21 AM](#)

Senator Olson asked about item 2 regarding the Victim of Crimes Act (VOCA) funds.

Co-Chair Bishop asked Senator Olson to restate his question.

Senator Olson restated his question.

Co-Chair Bishop referred to item 2.

Senator Olson indicated his question had to do with the \$6 million for sexual assault and domestic violence specifically. There was a shortfall currently within the division. He wondered if the funds could be used to fill the gap. He asked if money was available presently.

Mr. Steininger explained that the \$6 million in item 2, while not a direct replacement of the loss of VOCA funds, it provided the Council on Domestic Violence and sexual Assault with funding to avoid the drop off in grant amounts to entities that relied on the funding. The money was intended to replace the reduction in funding.

Senator Olson wondered what kind of shortfall the council would still face following the receipt of \$6 million.

Mr. Steininger replied that the federal grant was reduced by about \$1.4 million. The amount of \$6 million would replace that shortfall and bring the council closer to the baseline it had received in the past. There had been a steady decline in VOCA receipts from the federal government in the previous several years as a result of the complexity of how the funding was calculated at the federal level. He thought the \$6 million would solve the problem for the grantees in the short-term.

Senator Wielechowski queried the administration's opinion regarding using the full \$1 billion in the upcoming fiscal year versus spreading it out over several years.

Mr. Steininger indicated the administration proposed using the full amount in the governor's bill as a starting place in order to have such a discussion. An argument could be made in favor of spreading out the appropriation over two years. He reported that the \$1 billion as proposed was a multi-year appropriation spread over 4 years but appropriated up-front. It would allow for some management of the funds. He also indicated that the legislature could only appropriate a portion of the funds in the current year and make another appropriation in the following year. The federal government might require the state do the latter. There had been talk of the federal government only dispersing half of the funds in the current year and waiting 12 months to provide the other half. The state might only be able to only appropriate about \$510 million. The issue had to be part of the policy discussions.

Senator Wielechowski queried the administration's position on giving money directly to individuals or businesses versus making investments in infrastructure projects in which businesses would participate.

[9:50:36 AM](#)

Mr. Steininger replied that as the administration had laid out its plan, it tried to create a balance between needs. There were businesses and individuals that needed direct relief. However, it was important to think about things that generated an environment that allowed businesses to continue to function. The funding was short-term relief. He thought it was also important to think about stable economic development in the long-term.

Mr. Steininger continued to item 7 (page 3) and item 8 (page 4) that worked together. The items reflected the one-time UGF reduction that allowed for revenue offsets. Item 9 was language "compliance and contingencies" included in the bill that reaffirmed that any action taken with ARPA funding needed to be done in compliance with the federal rules as they were released on May 10, 2021 and possibly updated. He was aware that under the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) the guidelines changed frequently over the course of the previous summer. The administration needed to be prepared for the guidelines to change as the state began to operate some of the programs. The language attempted to ensure that once a plan was developed and an appropriation was made, the state could execute it without disruption. Item 10, the final item on the list, in the amount of \$112.3 million was for the Coronavirus Capital Projects Fund. It would allow the state to carry out capital projects directly enabling work, education, and health monitoring. Since the bill was submitted, the administration started receiving indications that the US Treasury would interpret the funding strictly as it related to broadband.

Co-Chair Bishop wondered if Mr. Steininger had any updates on the guidelines and whether May 10th remained the anticipated date of their receipt.

Mr. Steininger replied that he did not have an update on the release of the guidelines. The administration occasionally received guidelines on some of the more specific pots of money. May 10, 2021 was the deadline for guidance. He hoped the state would receive the information earlier. It took the US Treasury some time to hire the team writing the guidelines.

Co-Chair Bishop discussed the agenda for the upcoming meeting on the following Monday.

SB 49 was HEARD and HELD in committee for further consideration.

SB 50 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

[9:56:08 AM](#)

The meeting was adjourned at 9:56 a.m.